



State of California

# Employment Training Panel

Arnold Schwarzenegger, Governor

January 29, 2010

Jama Meyer, General Manager  
Flowserve Pump - Vernon  
2300 E. Vernon Avenue  
Vernon, CA 90058

Dear Ms. Meyer:

RE: FINAL MONITORING VISIT REPORT for Flowserve Pump - Vernon – ET08-0256

Date of the Visit:	12/17/09
Beginning/Ending Time:	9:00 a.m. – 12:00 p.m.
Date of Last Visit:	7/09/09
Visit Location:	Vernon
Persons in attendance:	Maria Vargas, HR Regional Manger, Flowserve Pump David Nagy, Principal, Bolero Associates Yvonne De Sollar, Administration, Bolero Associates Elsa Wadzinski, Contract Analyst, Employment Training Panel
Action Required:	No

Term of Agreement:	01/31/08 - 01/30/10	Agreement Amount:	\$464,400
Training Start Date:	02/01/08	Average Number to Retain:	300
Date Training must be Completed:	09/28/09	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Number of Hours:	86

## **SUMMARY OF ACTION REQUIRED FROM THIS VISIT:**

None

SACRAMENTO CENTRAL OFFICE  
1100 J Street, 4<sup>th</sup> Floor  
SACRAMENTO, CA 95814  
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE  
4640 Lankershim Blvd., Suite 311  
NORTH HOLLYWOOD, CA 91602  
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE  
1065 East Hillsdale Blvd, Suite 415  
FOSTER CITY, CA 94404  
(650) 655-6930

SAN DIEGO REGIONAL OFFICE  
5353 Mission Center Road, Suite 110  
SAN DIEGO, CA 92108  
(619) 686-1920

**FINAL REPORT SUMMARY:**

The Agreement was executed on December 7, 2007 and training began on February 1, 2008. You reported that all ETP training was completed on October 26, 2009, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – January 30, 2010.

During the course of the Contract, the Analyst processed revision 1 (a Technical Correction) exchanging the title of Computer Skills as a type of training with Manufacturing Skills; which was executed March 19, 2008. ETP also approved Amendment Number 2, executed on January 27, 2010, to change the term of the Agreement from December 31, 2007 through December 30, 2009, to February 1, 2008 through January 31, 2010; allowing an additional 31 days, to complete the original training plan outlined in the Agreement, and allow the 90-day retention period to fall within the term of the Agreement.

Project staff advised the Analyst, that 295 of the 300 trainees estimated to be retained as specified on Chart 1, Exhibit A of the Agreement, have completed training and the 90-day retention period. Assuming all other Agreement requirements are met, Flowserve will earn approximately \$410,922 (89%) of the total ETP Agreement amount. To date, you have received \$288,706 in ETP funding; \$238,009 earned and \$50,697 unearned. Ms. Wadzinski reminded project staff that the Final Closeout should be submitted no later than 30 days after the Agreement term has ended.

In discussing the ETP training, Ms. Vargas commented that with 89 percent completion of training; although Flowserve did not complete 100 percent of the training, it was able to provide 98 percent of its employees with Continuous Improvement, Business Skills and Manufacturing Skills training. Adding that this training has led to demonstrated improved communication skills and more effective goal setting and project completion times, resulting in more productive teamwork; allowing the company to run leaner and remain viable in California.

In discussing what barriers your staff experienced in implementing your ETP program, you indicated that you didn't schedule the start of training date until the Agreement was approved, which made the first 60 days tough to schedule training.

In closing, you and your staff reported that ETP's websites are user-friendly, and that ETP staff provided good support throughout the Agreement. Further, Ms. Vargas commented that Flowserve would be interested in returning to ETP for another contract to continue Phase II of the training started under this Agreement.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

Job Number	Number Started Training	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training	Number of Trainees Completed Retention
Totals:	313	313	18	295	295	212

The project status provided corresponds with the Contract Status report indicating 313 trainees were enrolled, and 18 have been dropped.

### **ATTENDANCE ROSTERS:**

The Analyst reviewed the information on Class/Lab Rosters for 23 trainees, against the information input on the ETP On-Line Tracking System. The review of the Class/Lab Rosters indicated that the Rosters were completed correctly, and corresponded with the training input on the ETP On-Line System, and met ETP's requirements; and the Agreement curriculum was provided as specified; and that you are in compliance with the ratio of one trainer to 20 retrainees, as specified in the Agreement Training Plan.

Project staff was advised that the above findings are based only on the training records reviewed during this visit. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

### **INTERVIEWS:**

The Analyst interviewed four trainees, an Engineer, Account Representative, Machinist and Planner. These trainees have been with Flowserve from two to 15 years. All trainees interviewed informed the Analyst that they participated in Business Skills and Continuous Improvement training, which they stated was work-related and beneficial to their jobs. One trainee commented that this training taught him how to work together as a team to provide better service to customers and ultimately produce a higher quality product at a competitive cost. Another trainee commented that she is learning techniques on how to prioritize her duties and set daily goals to keep her on track. Another trainee reiterated what the first two trainees stated and added that this training is teaching her to be more positive and encouraging to her coworkers so they can all work together in getting any task done. The last trainee commented that this training has taught her how to communicate with people from a different generation; whether younger or older, she stated that there are different expectations in how ideas are communicated, and it is important to be able to communicate information clearly, so all parties understand the message and can work together toward a common goal.

The trainees all commented that this training has brought all the different departments together, which they indicated has lifted morale throughout the company; as well as built camaraderie amongst the workers across the board. They stated that all the trainers were very knowledgeable in the course material, combining lecture and group participation. They also confirmed compliance to the Agreement curriculum and that the trainer-to-trainee ratio was adhered to.

### **AUDIT:**

Sedgwick will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at [ewadzinski@etp.ca.gov](mailto:ewadzinski@etp.ca.gov) within ten (10) working days from the receipt of this report.

Sincerely,

*Signature on file*

Wally Aguilar, Program Manager  
North Hollywood Regional Office

*Signature on file*

Elsa Wadzinski, Contract Analyst  
North Hollywood Regional Office

cc: Maria Vargas, HR Regional Manager (via E-mail)  
Flowserve Pump – Vernon

Stephanie Fahr, HR Administrator (via E-mail)  
Flowserve Pump – Vernon

David Nagy, Principal (via E-mail)  
Bolero Associates, LLC

Yvonne De Sollar, Administration (via E-mail)  
For Bolero Associates, LLC

David Guzman, Chief, Audits & Program Operations Division, ETP (via E-mail)  
Kulbir Mayall, Fiscal Manager, ETP (via E-mail)  
Project File

Date report mailed to Contractor 2/4/2010